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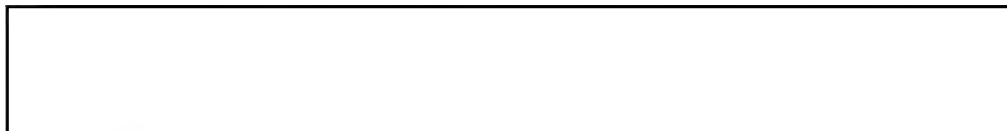
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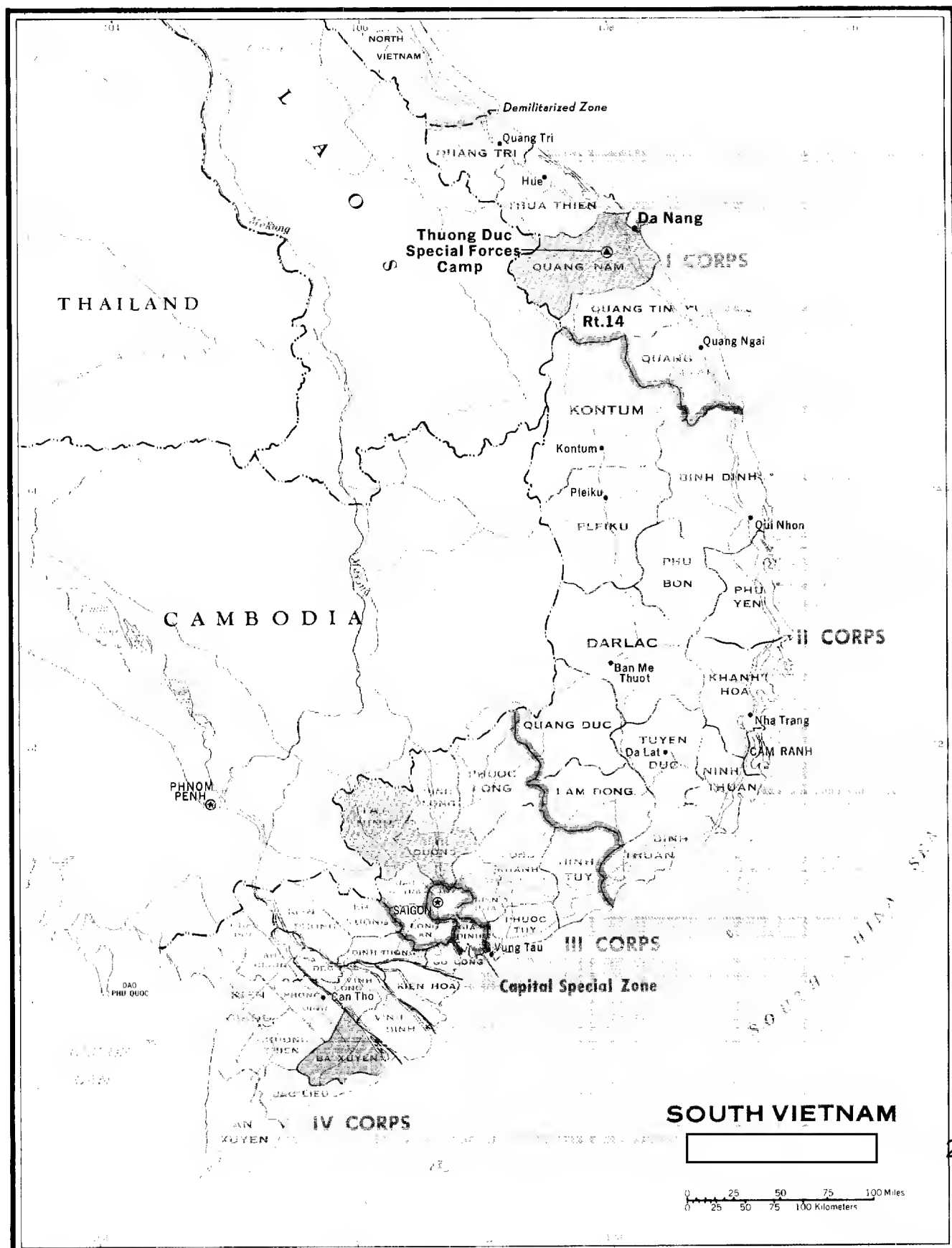
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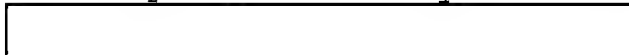
[South Vietnam: The Communist siege of Thuong Duc Special Forces camp is now in its sixth day.

The beleaguered outpost--numbering some 400 allied defenders--first came under intense attack on 28 September when the Communists overran supporting positions and moved into several nearby villages. Since that time the camp has been shelled daily from all sides.

The action at Thuong Duc is typical of Communist tactics in the current offensive round which began in mid-August. Economy-of-force attacks are launched against allied targets of secondary importance in the hope of forcing large-scale allied troop deployments away from major objectives. In the case of the diversionary attacks on Thuong Duc, the major objective is probably the huge allied military complex at Da Nang, as well as the large civilian population in this city--the second largest in South Vietnam.

Enemy capture of the camp would help secure a major infiltration corridor along Route 14 from the highlands and open up a staging position within 25 miles of the allied base at Da Nang.

Elsewhere in South Vietnam, only sporadic contact with enemy forces was reported. Light clashes occurred in Tay Ninh and Binh Duong provinces in III Corps and in Ba Xuyen Province in the delta.



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Laos: The Pathet Lao appear to be raising the ante for any future political arrangements for their return to the government.

Recent Communist broadcasts still affirm that any future settlement with Vientiane must be within the framework of the 1962 Geneva Accords, but they call attention to the "realities of the current situation." The Pathet Lao have charged that the tripartite structure of government worked out among the Laotian parties in 1961 and 1962 prior to the Geneva Accords has been "wrecked" and the agreements "torn to pieces."

In a recent conversation with a US official, Pathet Lao spokesman Sot Phetrasi observed that changes in territorial control and in the Vientiane political scene will have to be taken into account before a new formula can be worked out. He noted, for example, that some prominent players in the old setup, including rightist strongman Phoumi Nosavan and neutralist Kong Le, have left the country. The Communists have also indicated their displeasure over the merger of the neutralists and right-wing elements and over cabinet and constitutional changes made without their consent.

At a recently convened political conference, the Pathet Lao surfaced a new front group, the National United Bloc. Sot claims that the new organization is an outgrowth of the political arm of the Pathet Lao. The new group may be a vehicle to press Communist demands for a stronger position in a new coalition government.

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Czechoslovakia-USSR: Soviet officials are still indicating that Dubcek eventually must go.

In the latest version, a Russian diplomat has said that Dubcek is incapable of heading a Communist regime, and will be unable to maintain discipline in the country. For these reasons, he will be removed. The diplomat also predicted that National Assembly President Smrkovsky--considered anathema by the Soviets--will be dropped, but that President Svoboda and Premier Cernik will remain in power.

There is no evidence, however, that the Soviets, aware of the repercussions of any such move, have definitely decided to oust Dubcek in the immediate future, or that the unity among Czechoslovak leaders, who have threatened to resign together if one is deposed by Moscow, has been broken.

Dubcek and his colleagues apparently expect to visit Moscow shortly to discuss implementation of the Moscow agreement, and probably to try to head off a purge. The Czechoslovaks also reportedly intend to negotiate the withdrawal of some Soviet occupation troops, using as one argument the fact that there are not enough living quarters for large numbers of Soviet soldiers during the coming winter. In a recent speech to the National Assembly, First Deputy Foreign Minister Pudlak said that a previously planned Moscow meeting had been delayed by the illnesses of Dubcek and Brezhnev.

Czechoslovak conservatives, probably encouraged by the return to Prague from Moscow of pro-Soviet conservative Alois Indra, may be attempting a comeback. A group of parliamentary deputies, including former party boss Novotny's conservative ideology chief, Jiri Hendrych, stated publicly that they and other officials who were dismissed after Dubcek took over last January should be given appropriate new appointments based on "ability, education, and political reliability." This group may be trying to sell itself to the Soviets as the nucleus for a new regime.

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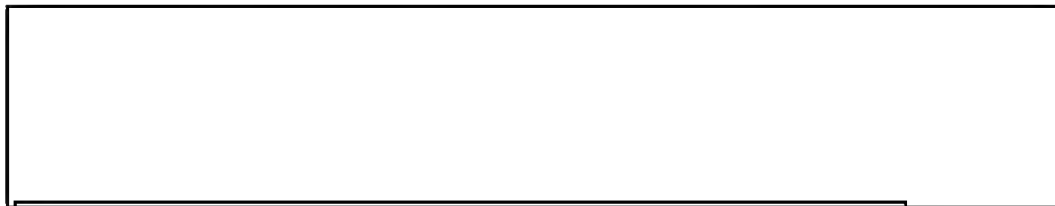
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Finland-USSR: President Kekkonen remains apprehensive about the implications of the Czechoslovak crisis for his country's relations with the Soviet Union.



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[redacted] Finnish officials are known to be concerned that any strong NATO countermeasures in Europe might be used as a pretext by the Soviets to exert military and political pressure on Finland.

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Finnish leaders are also known to be concerned about Moscow's response to the rash of anti-Soviet demonstrations in Finland following the Soviet invasion. Russian diplomats in Helsinki are reported to have accused leaders of President Kekkonen's Center Party of hostility toward the Soviet Union and of reacting "erroneously" to events in Czechoslovakia. The Finnish Communist leadership has also come under attack for failing to accept the Soviet version of Czechoslovak developments. [redacted]

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Albania-Yugoslavia: Albania reportedly has made an approach for improved relations with Yugoslavia.

Tirana has privately sounded out Belgrade along these lines, although details are not available. The Albanians have also ceased polemics against Yugoslavia. According to the Yugoslav deputy foreign minister, Belgrade has responded favorably to Tirana's unofficial query with official assurances that Yugoslavia respects Albania's independence and territorial integrity. The Soviet display of force and Albania's isolation in Eastern Europe may have prompted Tirana temporarily to mute its traditional fear of Yugoslav territorial aspirations toward Albania.

The move probably also stems from Tirana's recognition that its distant ally, China, is in no position to provide support. Albania's defense minister is currently heading a high level party-government delegation to Peking. While the Albanian regime has sent such a delegation annually for several years to discuss a broad range of problems, this year the Albanians are undoubtedly seeking additional specific assurances of support.

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Panama: President Arnulfo Arias has begun his third term with a formidable majority in the legislature and a cabinet chosen as much for loyalty as for competence.

Arias took the oath of office before a National Assembly dominated by a 30-deputy bloc of his own National Union supporters. Of the 42 assembly seats, four are vacant because of the recent suspension of credentials granted earlier to four opposition deputies. If these are filled by Arias' partisans, as expected, the new President will have enough votes to ensure virtual rubberstamp approval of his initial programs.

A former foreign minister, Galileo Solis, is again assuming this portfolio. Solis, a respected lawyer and diplomat, is considered friendly to the US but can be expected to take a strong position in advancing Panama's views on the canal treaty issue.

The appointment of the unscrupulous Norberto Zurita to head the Ministry of Government, which has jurisdiction over the national guard, can only be regarded as a reward for his staunch loyalty to Arias. Despite Zurita's unsavory associations with leftists and Castroite plotters, he is likely to serve as a willing instrument in Arias' plans to exert control over the guard.

In his inaugural address, Arias stressed unity and the need to "look to the future" after overcoming "conditions of tragic fiscal bankruptcy" inherited from the Robles government. Although he did not mention the US-Panamanian treaty drafts in his remarks, his emphasis on giving first priority to putting "our house in order" tends to confirm earlier reports that he does not plan to reopen serious treaty negotiations, at least until after the US elections.

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UN-Vietnam: A member of the Indonesian UN delegation claims that "several delegations" in the General Assembly are currently discussing offering a resolution, along lines set last week by Secretary-General Thant, calling for a halt in bombing North Vietnam. Thant himself claimed later to be merely speculating on the outcome of such a move, which he professed to think unrealistic. So far there are no indications that any initiative of this kind would receive much support in the assembly, where Thant's remarks were considered a "bloop" by many delegations. Indonesian Foreign Minister Malik has expressed the view that it would not be appropriate to discuss the Vietnam problem at the General Assembly.

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Dahomey: President Zinsou, who heads Dahomey's two-month-old civilian government, has returned to Cotonou from Paris with assurances that French aid--including direct budgetary subsidies--will be reinstated. The French suspended vital budgetary support and cut back all other forms of assistance after junior officers ousted the regime of General Soglo last December. Paris demanded a return to civilian rule as a prerequisite even to consideration of a renewal of assistance. French support is likely to be limited, however, and Dahomey will continue to face serious financial difficulties. [REDACTED]

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Peru: President Belaunde has named a new cabinet in an attempt to ease political tensions stemming from opposition to the government's agreement with a US-owned oil company last August. Miguel Mujica, a wealthy landowner not previously active in politics, is the new prime minister and foreign minister. Finance Minister Manuel Ulloa, who has made some progress toward easing Peru's serious economic problems, has been retained as have the three military ministers. Two of the new appointees served in earlier Belaunde cabinets. [REDACTED]

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[Mexico: An undetermined number of persons were killed and wounded last night when shooting broke out between students and army troops during a student rally in Mexico City. The fighting followed a week of nonviolence during which federal forces withdrew from the national university. The new "martyrs" will probably revitalize the student determination to win concessions from the government. With the Olympic events little more than a week away and the government's sensitivity to disorder thus increased, the student strike leaders may try to provoke more incidents to embarrass the authorities. [REDACTED]

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